

CHAPTER XXV
CX DIVISION INCENTIVE PROGRAMS

XXV-I. 2025 Automated Liquidity Provider (ALP) Program

- a) This incentive program provides the initial liquidity for the Atlantic Named Storm Landfall Swaps contracts for the 2025 tropical storm season.
- b) No direct payments to Participants will be made under this program.
- c) The Exchange, using its own funds, will allocate an amount not to exceed \$25,000 for this program and such funds will be placed in a Participant Clearing Account for this purpose.
- d) Using funds allocated for this program, the exchange will purchase 350 contracts at 12 different locations upon the listing of each named storm contract, provided that:
 - i. the named storm is listed on or after July 1, 2025;
 - ii. at the time of listing, the purchase price of contracts is \$1.00;
 - iii. the Participant Clearing Account has at least \$4,200 of available funds to cover such purchases.
- e) Contracts will be purchased at the zip codes closest to the 12 landfall locations of tropical storms during the 2022, 2023, and 2024 tropical storm seasons. The locations are attached here as Schedule A.
- f) Once purchased, contracts will be retained by the Exchange in a designated Participant Account for this program. Accordingly, all such contract purchases will be reported as volume and open interest in the normal course.
- g) Contracts purchased will be held until settlement at the original strike code locations. This Participant Account will not engage in strike code switching, as permitted by contract rules.
- h) Contracts will be settled in the normal course for each named storm. Any proceeds from settlements will be returned to the Exchange's Participant Clearing Account in the normal course and, therefore, may continue to be used for the program.
- i) At the end of the 2025 tropical storm season, the Exchange will close its account(s) and withdraw any remaining funds.
- j) This program shall be in effect for the 2025 tropical storm season and may be terminated at any time by the Exchange in its absolute discretion upon three (3) days' notice to Participants.

Initial effective date: July 1, 2025

Schedule A

2022 Landfall Locations

- 26.7N 82.2W
- 33.3N 79.2W
- 27.6N 80.4W

2023 Landfall Locations

- 27.1N 97.4W
- 29.8N 83.6W
- 34.7N 77.0W

2024 Landfall Locations

- 28.6N 96.0W
- 29.7N 83.5W
- 33.0N 79.6W
- 29.3N 91.3W
- 30.0N 83.7W
- 27.3N 82.6W